

COLLEGE PAYROLL ACCOUNTING (130) —Post-secondary— REGIONAL – 2018

Multiple Choice & Short Answer Section:

Multiple Choice (15 @ 2 points each) _____ (30 points)

Short Answer (16 @ 2 points each) _____ (32 points)

Production Portion:

Problem 1: Gross Wage Calculation _____ (40 points)

Problem 2: Hourly with OT Wage Calculation _____ (40 points)

Problem 3: Journal Entry _____ (22 points)

TOTAL POINTS _____ ***(164 points)***

Failure to adhere to any of the following rules will result in disqualification:

1. Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.
2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.
3. Electronic devices will be monitored according to ACT standards.

No more than ten (10) minutes orientation
No more than ninety (90) minutes testing time
No more than ten (10) minutes wrap-up

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General Instructions

You have been hired as a Financial Assistant and will be keeping the accounting records for Professional Business Associates, located at 5454 Cleveland Avenue, Columbus, Ohio 43231. Professional Business Associates provides accounting and other financial services for clients. You will complete jobs for Professional Business Associates' own accounting records, as well as for clients.

You will have ninety (90) minutes to complete your work. The test is divided into two parts. The multiple choice and short answer questions should be completed first, and then the accounting problems may be completed in any order.

Your name and/or school name should *not* appear on any work you submit for grading. Write your contestant number in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

Calculate all calculations to four (4) decimals, then round to the nearest cent.

2016 Payroll Tax Rules Apply

Social Security (OASDI): 6.2% on the first \$118,500

Medicare (HI): 1.45%

FUTA: .6% on first \$7,000 of employee wages

SUTA: Information is in each question

MULTIPLE CHOICE: (30 points, 2 each)

Identify the letter of the choice that best completes the statement or answers the question.

1. The hourly rate for an employee, working a 37 work week, with gross wages of \$375.14 is _____.
 - a. \$9.38
 - b. \$7.25
 - c. \$10.14
 - d. \$13.89

2. The Federal minimum hourly wage for an employee in 2016 was _____.
 - a. \$7.50
 - b. \$7.25
 - c. \$8.25
 - d. \$10.00

3. Taxes that are paid by both the employee and employer are _____.
 - a. Federal Income Tax Withholding
 - b. Social Security and Unemployment
 - c. Medicare and Unemployment
 - d. Social Security and Medicare

4. FLSA stands for _____.
 - a. Federal Leave and Security Act
 - b. Federal Leave Standards Act
 - c. Federal Labor Supplement Act
 - d. None of the above

5. The Bozo Clown works at an hourly job and makes \$11.22 per hour. If Bozo works 44½ hours in one week, what is Bozo's gross earnings?
 - a. \$542.54
 - b. \$499.29
 - c. \$524.54
 - d. \$524.45

6. Ian McMuggle is paid \$34,600 per year for a salaried job, what is Ian's bi-weekly salary?
 - a. \$1,330.77
 - b. \$1,441.67
 - c. \$665.38
 - d. \$1,356.86

7. An employee has the right to take medical leave under reasonable circumstances without fear of job loss by using the _____.
 - a. Vacation Pay Act
 - b. Health Insurance Portability and Accountability Act
 - c. Family Medical Leave Act
 - d. Civil Rights Act

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8. Ernest T. Bass is an independent contractor for Griffith Company and has earned \$2,775 from doing jobs for Griffith. Griffith will issue Bass a _____.
 - a. W-2G
 - b. 1099MISC
 - c. 1099LBR
 - d. W-2

9. The Department of Homeland Security requires what form to be filled out by each employee _____.
 - a. W-4
 - b. SS-4
 - c. W-2
 - d. I-9

10. A company's average daily wage is \$432 for a 5-day workweek that goes from Monday-Friday and all employees are paid weekly and they use an accrual system. If December 31, 2016 falls on a Tuesday how much will wages expense be when this payroll is paid in January?
 - a. \$864
 - b. \$1,296
 - c. \$2,160
 - d. \$432

Answer Questions 11-15 for Stove Corporation with the data below.

Stove has 7 employees; 3 earn \$10.12 per hour, 1 is on salary for \$45,600 per year, 3 earn \$15.03 per hour. All employees work 40 hours per week and are paid weekly.

11. What is the weekly gross wages for the Stove hourly employees?
 - a. \$3,894.92
 - b. \$3,018.00
 - c. \$3,081.00
 - d. None of the above

12. What will the OASDI Liability be for Stove's portion of Social Security Tax?
 - a. \$56.48
 - b. \$297.97
 - c. \$241.49
 - d. \$482.98

13. What will the HI Liability be for Stove's portion of Medicare Tax?
 - a. \$56.48
 - b. \$297.97
 - c. \$241.49
 - d. \$112.96

14. What is Stove's FUTA liability for the first pay period of the year?
 - a. \$233.70
 - b. \$311.59
 - c. \$31.16
 - d. \$23.37

15. What is Stove's SUTA Liability for the first pay period of the year if the SUTA rate is 3.7%?
- a. \$144.11
 - b. \$1441.12
 - c. \$144.12
 - d. \$210.33

SHORT ANSWER QUESTIONS (SAQ)

Short Answer #1 (12 points, 2 points each)

Billy Bob Cooter works an hourly job, gets paid \$13.62 per hour, and worked 44.5 hours this week. Calculate Billy Bob's gross pay, withholdings, and net pay for the weekly pay period. He is single and has 0 dependents.

Gross Pay _____

Taxes Withheld-

Federal Tax _____

Social Security _____

Medicare _____

State Tax (5%) _____

Net Pay _____

Short Answer #2 (12 points, 2 points each)

Morris Z. Kat is employed as an exempt employee and earns an annual salary of \$71,655. Calculate Morris's semi-monthly pay, withholdings, and net pay. Morris is married with 2 allowances claimed.

Gross Pay _____

Taxes Withheld-

Federal Tax _____

Social Security _____

Medicare _____

State Tax (6%) _____

Net Pay _____

Short Answer #3 (8 points, 2 points each)

Fletcher Company has 4 employees that each earn \$565.75 per week. All employees are paid weekly. Calculate Fletcher's employer tax liabilities assuming it is the first pay week of the year and the SUTA rate is 3.2% on the first \$8,000 of wages.

Employer's Tax Liabilities-

Social Security _____

Medicare _____

SUTA _____

FUTA _____

Problem #1 (40 points, 2 points each)

Complete the following gross wage calculations for each scenario. Round each calculation to the nearest cent.

Employee	Annual Salary	Weekly	Bi-Weekly	Semi-Monthly	Monthly
Rubble	\$52,400.00				
Flintstone	\$67,400.00				
Slate	\$32,100.00				
Rockhead	\$33,800.00				
Pebbles	\$44,900.00				

Problem #2 (40 points, 2 points each)

Calculate the gross wages of each of the hourly employees below. All employees received time and a half for hours worked over 40 hour and are paid weekly.

Employee	Hourly Wage	Hours Worked	Overtime Rate	Regular Wages	OT Wages	Total Wages
White	\$19.17	42.00				
Black	\$16.15	43.50				
Blue	\$14.52	41.25				
Red	\$22.45	41.00				
Brown	\$15.47	44.75				

Problem #3 (22 points, 2 points each)

Journalize the Employer's Payroll Taxes for the employees in Problem #2, assume no one is over the FUTA and SUTA limit. Use 3.25% as a SUTA rate and January 15, 2016 for the date.

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DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT